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Company name: Toyo Denki Seizo K.K.
Representative: Kenzo Terashima, President
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Toyo Denki Establishes Electrical Equipment Manufacturing Company for Urban Transit Railway Vehicles in Chengdu, China

Toyo Denki, at its Board of Directors meeting held today, resolved to make a capital investment in a joint venture, which will mainly engage in manufacturing electrical equipment for urban transit railway vehicles, following its establishment in Chengdu, Sichuan Province, in the People's Republic of China (hereinafter, "China").

1. Reason for Establishment

Toyo Denki has expanded its business in China, chiefly the delivery of electrical equipment for railway vehicles of urban transit and high-speed railways, since the late 1990s. The Company has decided to establish a new production base in Chengdu, a major city in China, to further reinforce its business.

The new company will mainly assemble and test pantographs for urban transit railway vehicles.

2. Profile of the New Company

- (1) Company name: Chengdu Yonggui Toyo Rolling Stock Equipment Co., Ltd.
- (2) Location: Chengdu, Sichuan Province
- (3) Representative: Masami Tsuchiya, Chairman (Senior Managing Director and Representative Director of Toyo Denki Seizo K.K.)
- (4) Established: August 23, 2017 (Date of acquisition of operating license)
- (5) Capital stock: CNY 30 million
- (6) Business activities: Manufacture and sales, etc. of electrical equipment (mainly pantographs) for urban transit railway vehicles
- (7) Investment ratio: Zhejiang Yonggui Electric Equipment Co., Ltd.: 51%
Toyo Denki Seizo K.K.: 49%

3. Future Outlook

The impact from establishing this new company on the consolidated business results for the current fiscal year will be negligible.